

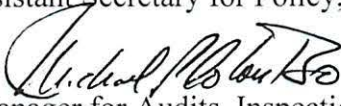


OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

JAN 05 2017

Memorandum

To: Elizabeth Klein
Principal Deputy Assistant Secretary for Policy, Management and Budget

From: Michael P. Colombo 
Western Regional Manager for Audits, Inspections, and Evaluations

Subject: Verification Review – Recommendations for the Report, “Bureau of Reclamation’s Sustainable Water Management Programs and Activities”
(WR-EV-BOR-0026-2013)
Report No. 2017-WR-011

The Office of Inspector General (OIG) has completed a verification review of Recommendations 1, 2, and 4 presented in the subject report. Our objective was to determine whether the Bureau of Reclamation (USBR) implemented the recommendations as reported to the Office of Financial Management (PFM), Office of Policy, Management and Budget. PFM reported to OIG that it has closed the recommendations. We concur that Recommendations 1, 2, and 4 have been resolved and implemented.

Background

Our September 30, 2014 report titled “Bureau of Reclamation’s Sustainable Water Management Programs and Activities” made six recommendations designed to improve USBR’s management of the WaterSMART Program. The USBR Acting Commissioner concurred with the report’s recommendations in a memorandum dated September 24, 2014, and detailed USBR’s plans to implement them. The memorandum also reported that USBR had implemented Recommendation 5 as of July 2014. On October 30, 2014, we referred Recommendations 1 through 4 and 6 to the Director of the Office of Financial Management to track their implementation.

In January 2015 and April 2016, PFM reported to OIG that it considered Recommendations 3 and 6 implemented and closed. We issued a verification review on July 19, 2016, reporting that we concurred with PFM’s determination.¹

On August 10, 2016, PFM reported to OIG that it considered Recommendations 1, 2, and 4 to be implemented and closed.

¹ “Verification Review – Recommendations for the Report, “Bureau of Reclamation’s Sustainable Water Management Programs and Activities” (WR-EV-BOR-0026-2013),” July 19, 2016, Report No. 2016-WR-051.

Scope and Methodology

We limited the scope of this review to determining whether USBR implemented Recommendations 1, 2, and 4. To accomplish our objective, we reviewed PFM's documentation supporting its closure of the recommendations and USBR's documentation relating the actions it took to implement the recommendations. We did not perform internal control testing, visit sites, or conduct fieldwork to determine whether the underlying deficiencies that were initially identified have been corrected. As a result, this review was not conducted in accordance with Generally Accepted Government Auditing Standards issued by the Comptroller General of the United States, or Quality Standards for Inspection and Evaluation issued by the Council of the Inspectors General on Integrity and Efficiency.

Results of Review

Our current review found that USBR has resolved and implemented Recommendations 1, 2, and 4.

Recommendation 1: USBR develop and implement policy and procedures to differentiate between WEEG [Water and Energy Efficient Grants] and WCFSP [Water Conservation Field Services Program] grants awarded in support of water-use efficiency activities.

Action Taken: USBR developed and implemented a new temporary Directives and Standards, "Financial Assistance under the Water Conservation Field Services Program," WTR TRMR-89, to address all three recommendations. USBR also assured PFM that its new temporary policy has the full force of permanent Directives and Standards and will become permanent within 1 year of issuance. With respect to Recommendation 1, Section 6.C of the new policy identifies eligible activities supported by the WCFSP and specifies that on-the-ground projects are no longer eligible for funding through WCFSP. This update was effective as of June 24, 2016, and was published on the USBR website (www.usbr.gov).

Recommendation 2: USBR establish and implement definitive guidance on WCFSP funding limitations, including a process for increasing funding through grant modifications.

Action Taken: Section 6.B(3) of the new policy sets maximum WCFSP funding at \$100,000 in any fiscal year and Section 8.E provides guidance on modifications in relation to changes in scope and time extensions with applicable requirements as outlined in Directives and Standards ACM 01-01. This update was effective as of June 24, 2016, and was published on the USBR website (www.usbr.gov).

Recommendation 4: USBR ensure WCFSP grant final performance reports capture the project objectives, goals, and accomplishments and, if applicable, require a discussion of the amount of water conserved.

Action Taken: Section 8.C of the new policy specifies that USBR will ensure final reporting requirements are followed under ACM 01-01 and additional reporting requirements applicable for WCFSP recipients under the funding opportunity announcement. This update was effective as of June 24, 2016, and was published on the USBR website (www.usbr.gov).

Conclusion

We informed USBR officials of the results of this review on December 7, 2016.

cc: Olivia Ferriter, Deputy Assistant Secretary for Policy, Management and Budget
Douglas Glenn, Director, Office of Financial Management
Allen Lawrence, Division Chief, Internal Control and Audit Follow-up, Office of Financial Management
Estevan López Commissioner, Bureau of Reclamation
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